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**EXECUTION
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07/30/08**

**S&C ELECTRIC COMPANY PROJECT
ILLINOIS INDUSTRIAL JOBS RECOVERY LAW
PRATT/RIDGE INDUSTRIAL PARK CONSERVATION
REDEVELOPMENT PROJECT AREA
S&C ELECTRIC COMPANY
REDEVELOPMENT AGREEMENT**

DATED AS OF JULY 30, 2008

BY AND BETWEEN

THE CITY OF CHICAGO

AND

**S&C ELECTRIC COMPANY,
a Delaware corporation**

This agreement was prepared by
and after recording return to:
William A. Nyberg, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

**S&C ELECTRIC COMPANY
REDEVELOPMENT AGREEMENT
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**S&C ELECTRIC COMPANY
REDEVELOPMENT AGREEMENT
LIST OF SCHEDULES AND EXHIBITS**

Schedules

Schedule A	Definitions
Schedule B	Insurance Requirements

Exhibits

Exhibit A	*Redevelopment Area Legal Description
Exhibit B-1	*Legal Description of the Property
Exhibit B-2	*Site Plan for the Project
Exhibit C	Redevelopment Plan
Exhibit D-1	*Project Budget
Exhibit D-2	*MBE/WBE Budget - Phase I
Exhibit E	TIF-Funded Improvements
Exhibit F	Reserved
Exhibit G	Approved Prior Expenditures
Exhibit H	Permitted Liens
Exhibit I	Form of Opinion of Developer's Counsel
Exhibit J	*Minimum Assessed Value
Exhibit K	Form of Bond
Exhibit L	Public Benefits Program
Exhibit M	City Funds Requisition Form
Exhibit N	Form of City Subordination Agreement

(An asterisk(*) indicates which exhibits are to be recorded.)

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This agreement was prepared by and
after recording return to:
William A. Nyberg, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

S&C ELECTRIC COMPANY REDEVELOPMENT AGREEMENT

This S&C Electric Company Redevelopment Agreement (the "**Agreement**") is made as of this 30th day of July, 2008, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), and S&C Electric Company, a Delaware corporation ("**Developer**").

RECITALS:

A. Constitutional Authority: As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "**State**"), the City has the power to regulate for the protection of the public health, safety, morals, and welfare of its inhabitants and, pursuant thereto, has the power to encourage private development in order to enhance the local tax base and create employment opportunities, and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority: The City is authorized under the provisions of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq. (2004 State Bar Edition), as amended from time-to-time (the "**Act**"), to finance projects that promote industrial and transportation activities and thus reduce the evils attendant to involuntary unemployment and enhance the public health and welfare of the State through the use of tax increment allocation financing for redevelopment projects.

C. **City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on June 23, 2004: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Pratt/Ridge Industrial Park Conservation Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois designating the Pratt/Ridge Industrial Park Conservation Redevelopment Project Area as a Redevelopment Project Area Pursuant to The Industrial Jobs Recovery Law"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Pratt/Ridge Industrial Park Conservation Redevelopment Project Area" (the "**TIF Adoption Ordinance**"). Collectively the three ordinances are defined as the "**TIF Ordinances**". The redevelopment project area (the "**Redevelopment Area**") is legally described in Exhibit A.

D. **The Project:** Developer is a global provider of equipment and services for electric power systems. Developer designs and manufactures switching and protection products for electric power transmission and distribution. Developer's corporate headquarters together with one of its four manufacturing plants, (the "**Plant**") is located at 6601 N. Ridge Boulevard, Chicago, Illinois 60626 (the "**Property**"). A legal description of the Property is Exhibit B-1. The Plant and Property are designated by Developer as the John R. Conrad Industrial Complex. The Plant presently consists of 20 major buildings, housing approximately 1,125,000 square feet under roof. Developer currently has approximately 1,500 full-time employees working at the Plant on the Property. Average building age of the Plant is approximately 36 years. The Property is severely constrained by residential use on the north and west, commercial property on the south and the above grade, elevated Chicago & Northwestern Railway commuter line on the east.

Developer wants to modernize and upgrade its manufacturing capabilities to remain competitive in the global marketplace. Developer plans to invest \$138,150,000 over the life of the Redevelopment Area in 7 phases for the rehabilitation and renovation of the existing buildings on the Property, the construction of new buildings and parking structures on the Property, machinery and equipment purchases, and employee training. The demolition of certain structures and the construction of new buildings and parking structures, the rehabilitation and renovation of existing buildings, machinery and equipment purchases, and employee training, all as stated in more detail in Section 3.01, are collectively defined as the "**Project**". A site plan for the Project at full build-out is Exhibit B-2. The completion of the Project would not reasonably be anticipated to occur without the financing contemplated in this Agreement.

E. **Redevelopment Plan:** The Project is being carried out in accordance with this Agreement and the City of Chicago Pratt/Ridge Industrial Park Conservation Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project dated March 8, 2004 (the "**Redevelopment Plan**") attached as Exhibit C, as amended from time-to-time.

F. **City Financing and Assistance:** Subject to Developer fulfilling its obligations under this Agreement required to obligate the City to do so, the City will make cash payments to

Developer in the amounts stated in Section 4.03, to reimburse Developer out of Available Incremental Taxes (as defined below) as provided in this Agreement for the costs of the TIF-Funded Improvements under the terms and conditions of this Agreement. In addition, the City may, in its discretion, issue tax increment allocation bonds ("**TIF Bonds**") secured by Incremental Taxes (as defined below) pursuant to a TIF bond ordinance (the "**TIF Bond Ordinance**"), at a later date as described and conditioned in Section 4.07, the proceeds of which (the "**TIF Bond Proceeds**") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes (as defined below), or in order to reimburse the City for the costs of TIF-Funded Improvements.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT:

ARTICLE ONE: INCORPORATION OF RECITALS

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part hereof.

ARTICLE TWO: DEFINITIONS

The definitions stated in Schedule A and those definitions stated in the recitals are hereby incorporated into this Agreement by reference and made a part hereof.

ARTICLE THREE: THE PROJECT

3.01 **The Project**. Developer will undertake and complete the following Project work within the time periods indicated:

(a) **Phase I (2004 - 2009)** Consists of the engineering, site preparation and construction of the 20,000 sq. ft. Advance Technology Center to serve as a research and development facility. The Advance Technology Center will attain LEED certification and a green roof on the non-lab half of the Center building. In addition, there are more planned expenditures which will be prioritized based on age, condition and strategic value to Developer. Rehabilitation and renovation work includes roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining,

advanced education and career enhancement programs. Total Project costs for Phase I are estimated at \$26,300,000 with an estimated \$4,490,000 in TIF-Funded Improvements.

(b) **Phase II (2010 - 2012)** Phase II will consist of annual expenditures which will be prioritized based on age, condition and strategic value to Developer. These expenditures are renovation and improvements of the John R. Conrad Industrial Complex which include but are not limited to roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs. Total Project costs for Phase II are estimated at \$27,490,000 with an estimated \$13,612,500 in TIF-Funded Improvements.

(c) **Phase III (2013 - 2015)** Phase III will consist of annual expenditures which will be prioritized based on age, condition and strategic value to Developer. These expenditures are renovation and improvements of the John R. Conrad Industrial Complex which include but are not limited to roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs. Phase III also includes construction of Building 2C, an 80,000 sq. foot manufacturing building. Building 2C is intended as modernized expansion for manufacturing operations and will include accommodations for renovated mechanical and electrical service entries. Total Project costs for Phase III are estimated at \$26,460,000 with an estimated \$6,622,500 in TIF-Funded Improvements.

(d) **Phase IV (2016 - 2018)** Phase IV will consist of annual expenditures which will be prioritized based on age, condition and strategic value to Developer. These expenditures are renovation and improvements of the John R. Conrad Industrial Complex which include but are not limited to roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs. Total Project costs for Phase IV are estimated at \$15,385,000 with an estimated \$7,660,000 in TIF-Funded Improvements.

(e) **Phase V (2019 - 2021)** Phase V will be two years in duration, and will consist of annual expenditures which will be prioritized based on age, condition and strategic value to Developer. These expenditures are renovation and improvements of the John R. Conrad Industrial Complex which include but are not limited to roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs. Phase V will also include construction of Building 15B, a 40,000 square foot manufacturing building, which is intended as expansion space for S&C Polymer Products manufacturing operations. Total Project costs for Phase V are estimated at \$22,115,000 with an estimated \$5,225,000 in TIF-Funded Improvements.

(f) **Phase VI (2022 - 2024)** Phase VI will consist of annual expenditures which will be prioritized based on age, condition and strategic value to Developer. These expenditures are renovation and improvements of the John R. Conrad Industrial Complex which include but are not limited to roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs. Total Project costs for Phase VI are estimated at \$10,425,000 with an estimated \$4,580,000 in TIF-Funded Improvements.

(g) **Phase VII (2025 - 2026)** Phase VII will consist of annual expenditures which will be prioritized based on age, condition and strategic value to Developer. These expenditures are renovation and improvements of the John R. Conrad Industrial Complex which include but are not limited to roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs. Phase VII will also include construction of a two-story 80,000 square foot parking structure which will accommodate expanded employment and replace parking areas lost to other new construction activities. Total Project costs for Phase VII are estimated at \$9,975,000 with an estimated \$3,007,500 in TIF-Funded Improvements.

Prior to closing, DPD must approve the Scope Drawings and Plans and Specifications for Phase I (including sustainable development features), and must have received the conceptual plan for subsequent Phases. Prior to initiating each of Phases II through VII, Developer will:

- (i) Submit Scope Drawings and Plans and Specifications (including sustainable development features), as required under Section 3.02 for DPD's review and approval;
- (ii) Submit a revised, updated Project Phase budget showing sources and uses of funds, and an MBE/WBE budget for DPD's review and approval;
- (iii) Meet with DPD and the City's Department of Housing, Monitoring and Compliance Section to review current City Requirements;
- (iv) Meet with DPD to review Project status.

3.02 Scope Drawings and Plans and Specifications. Developer will deliver to DPD the Scope Drawings and Plans and Specifications (including sustainable development features) for each Phase for DPD's approval. After such initial approval for each Phase, subsequent proposed changes to the Scope Drawings or Plans and Specifications will be submitted to DPD as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications (including sustainable development features) for each Phase will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and all applicable Federal, State and local laws, ordinances and regulations. Developer will submit all necessary documents to

the City's Department of Buildings, Department of Transportation, and to such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for each Phase of the Project.

3.03 **Project Budget.** Developer has furnished to DPD, and DPD has approved, an estimated Project Budget which is Exhibit D-1, showing total costs for the Project by Phase in an amount not less than \$138,150,000. Developer hereby certifies to the City that: (a) it has Lender Financing, if any, and Equity (including cash from future operations) in an aggregate amount sufficient to pay for all Project costs on a Phase-by-Phase basis; and (b) the Project Budget is true, correct and complete estimate in all material respects. Developer will promptly deliver to DPD copies of any Change Orders with respect to the Project Budget required under Section 3.04.

3.04 **Change Orders.**

(a) Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to any Phase of the Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction by more than five percent (5%) in the square footage of the Project, or (b) a change in the basic use of the Plant and/or the Property, or (c) a delay in the Project schedule more than 6 months or (d) a change in the Project budget for a Phase as described in Exhibit D-1 of greater than 10 %. Except as provided below, Developer will not authorize or permit the performance of any work relating to any Change Order requiring DPD's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval, such written approval to be delivered by DPD within 60 days after receipt of Developer's request therefor. Each Construction Contract, and each contract between the Prime Contractors and any subcontractor, must contain a provision to this effect. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Developer.

(b) Notwithstanding anything to the contrary in this Section 3.04, Change Orders costing less than Two Hundred Fifty Thousand Dollars (\$250,000.00) each, to an aggregate amount of Two Million Dollars (\$2,000,000.00) for each Phase of the Project, do not require DPD's prior written approval as stated in this Section 3.04, but DPD will be notified in writing of all such Change Orders and Developer, in connection with such notice, will identify to DPD the source of funding therefor.

3.05 **DPD Approval.** Any approval granted by DPD under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders for any Phase is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or

any other governmental approval, nor does any such approval by DPD under this Agreement constitute approval of the quality, structural soundness, safety, habitability, or investment quality of any Phase of the Project. Developer will not make any verbal or written representations to anyone to the contrary.

3.06 **Other Approvals.** Any DPD approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

3.07 **Progress Reports and Survey Updates.** After the Closing Date, on or before the 15th day of each reporting month, Developer will provide DPD with written quarterly construction progress reports for Phase I of the Project, including a revised completion date, if necessary (with any delay in completion date in excess of 6 months being considered a Change Order, requiring DPD's written approval under Section 3.04). Developer must also deliver to the City written quarterly progress reports detailing compliance with the requirements of Section 8.09 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) (collectively, the "City Requirements"). If the reports reflect a shortfall in compliance with the requirements of Sections 8.09, 10.02 and 10.03, then there must be included therewith a written plan from Developer acceptable to DPD to address and cure such shortfall. After Developer obtains the Phase I Component Certificate of Completion, only annual reports addressing the reporting requirements of this Section 3.07 are required. Each such annual report will include a review of the planning for subsequent Project Phases. At Project completion, Developer will provide 3 copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, if any, reflecting improvements made to the Plant or the Property.

3.08 **Inspecting Agent or Architect.** An agent or architect of the Developer identified in writing to and approved by DPD shall act as the inspecting agent or architect for the Project at the Developer's sole expense. The inspecting agent or architect approved by DPD will perform periodic inspections with respect to the Project, providing written certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project.

3.09 **Barricades.** Prior to commencing any construction requiring barricades, Developer will install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of the Developer or the Project).

3.10 **Signs and Public Relations.** Developer will erect in a conspicuous location at the Property during the construction of the Project a sign of size and style approved by the City, indicating that financing has been provided by the City. The City reserves the right to include the

name, photograph, artistic rendering of the Project and any other pertinent information regarding Developer and the Project in the City's promotional literature and communications.

3.11 **Utility Connections.** Developer may connect all on-site water, sanitary, storm and sewer lines constructed as a part of the Project to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.12 **Permit Fees.** In connection with the Project, Developer is obligated to pay only those building, permit, engineering, tap on, and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

3.13 **Accessibility for Disabled Persons.** Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner which promotes, enables, and maximizes universal access throughout the Property. Plans for all buildings and improvements on the Property will be reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

ARTICLE FOUR: FINANCING

4.01 **Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$138,150,000 to be applied in the manner set forth in the Project Budget. Such costs will be funded from the following sources:

Equity (subject to <u>Section 4.06</u>)	\$138,150,000 (1)
Lender Financing	(TBD) (1)
	<hr/>
ESTIMATED TOTAL	\$138,150,000 (1)

NOTES:

(1) All Project costs will be front-funded by Developer. Developer will identify Lender Financing sources and amounts, if any, at or prior to closing. City Funds (as defined below) are to be provided to Developer only for reimbursement of the costs of TIF-Funded Improvements.

4.02 **Developer Funds.** Equity and Lender Financing, if any, will be used to pay all Project costs, including but not limited to costs of TIF-Funded Improvements. The City acknowledges that all or a portion of Developer's Equity may also come from borrowed funds that may be secured by the pledge of share interests in Developer and Developer's collateral other than the Plant or the Property.

4.03 City Funds.

(a) City Funds. Funds paid to Developer under this Agreement are defined as “**City Funds**”. City Funds shall be used to reimburse Developer only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit E states, by line item, the TIF-Funded Improvements for the Project contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such costs and their respective eligibility as a Redevelopment Project Cost. Amounts may be reallocated by Developer among such line items at any time and from time to time without amending this Agreement, upon notice to the City. Developer may carry over unreimbursed TIF-Funded Improvements from one Phase of the Project to the next Phase, but in no event shall Developer receive more than \$39,735,000 in City Funds for all Project Phases.

(b) Sources of City Funds. The City, through its Department of Planning and Development, agrees to provide reimbursement to Developer from Available Incremental Taxes for TIF-Funded Improvements, subject to the terms, conditions and qualifications stated in this Article Four and elsewhere in this Agreement. City Funds paid to Developer are subject to the following:

(i) Amount of City Funds. The City shall pay to Developer City Funds for each respective Phase of the Project for the costs of TIF-Funded Improvements for such Phase, contingent upon Developer’s compliance with and in accordance with the terms and conditions of this Agreement; provided, however that the aggregate amount of City Funds to be paid to Developer for reimbursement of the costs of TIF-Funded Improvements will in no event exceed in total, at any given time, more than 28.8% of the total Project budget calculated on a cumulative basis from time-to-time. Any increase in the Project budget over the life of the Project will not entitle Developer to additional City Funds in excess of \$39,735,000. This Agreement is a pay-as-you-go type of Agreement. Upon completion of each Phase of the Project, Developer will request payment of City Funds by submitting a requisition form (the “**Requisition Form**”) substantially in the form of Exhibit M.

(ii) Limitations on Payment of City Funds. At no time shall the amount of City Funds paid to date exceed 28.8% of total funds invested to date by Developer in the Project. In any year in which the Property has generated Available Incremental Taxes to which Developer has a claim, but payment of any portion of those Available Incremental Taxes would cause the ratio of City Funds paid to the Project investment to exceed or be less than 28.8%, then future payment of City Funds shall be adjusted to take such excess or deficiency into account.

For example, at the completion of Phase I with Project costs of \$26,300,000, Developer would be entitled to \$7,574,400 (28.8% of invested Project costs), however TIF eligible expenses for Phase I are estimated to be only \$4,490,000 (17.1% of Project

Costs). Therefore, the excess can be carried forward and used in future Phases, as long as the ratio of City Funds paid to the Project investment does not exceed 28.8% at any time.

Project costs at the completion of Phase II (excluding Phase I) are estimated to be \$27,490,000 and TIF eligible expenses for Phase II are estimated to be \$13,612,500 (49.5% of the estimated Phase II Project costs). However, total Project costs for Phases I and II are \$53,790,000. Therefore, Developer would be eligible for \$15,491,520 in TIF eligible expenses at the completion of Phases I and II. Developer has already received \$4,490,000 for Phase I TIF eligible expenses, and therefore could receive \$11,001,520 for its Phase II TIF eligible expenses (\$15,491,520 - \$4,490,000). Any Available Incremental Taxes above this amount cannot be paid out until the Developer receives a Phase III Component Certificate of Completion, from which point Developer would be entitled to City Funds in an amount not to exceed 28.8% of the total of Phases I through III invested Project costs.

(iii) Timing. Developer's first Requisition Form will be submitted upon receipt of the Phase I Component Certificate of Completion. Thereafter, Developer will submit a Requisition Form by December 1st annually with payment of City Funds to be made by the City on or before the following March 1st.

(iv) Insufficient Available Incremental Taxes. If the amount of Available Incremental Taxes under this Agreement is insufficient to meet in full Developer's City Funds request stated in a Requisition Form, then: (1) the City will not be in default under this Agreement, and (2) due but unpaid City Funds will be paid by the City to Developer under this Section 4.03 as promptly as funds become available for their payment, but in no event shall the City become liable for any interest payments on unpaid City Funds.

4.04 Phase-by-Phase Preconditions to Payment of City Funds. Developer acknowledges and agrees that the City will pay City Funds for each of the Phases only if each of the following preconditions for a particular Phase are met:

Phase I (2004 - 2009):

- (1) The Developer has built a 20,000 square foot Advance Technology Center on the Property and completed other Phase I Project work as described and approved by DPD prior to initiation of Phase I.
- (2) The City has issued a Certificate of Occupancy for the Phase I Project work, if applicable.
- (3) The City's Monitoring and Compliance unit has determined in writing that for Phase I, Developer is in full compliance with all City Requirements.
- (4) DPD has verified that at least 1,550 Full Time Equivalent ("FTE") permanent jobs as required under Section 8.06 are present on the Property.
- (5) DPD has issued a Phase I Component Certificate of Completion.
- (6) Developer has presented evidence satisfactory to DPD that it has incurred and paid for up to \$4,490,000 in TIF-Funded Improvements.

- (7) The Property is partially or fully assessed and is generating incremental tax revenues above the base incremental tax revenues generated by the Property prior to the June 23, 2004 TIF Ordinances.

Phase II (2010 - 2012):

- (1) The Developer has completed other Phase II Project work as described and approved by DPD prior to initiation of Phase II.
- (2) The City has issued a Certificate of Occupancy for the Phase II Project work, if applicable.
- (3) The City's Monitoring and Compliance unit has determined in writing that for Phase II, Developer is in full compliance with all City Requirements.
- (4) DPD has verified that at least 1,200 FTE permanent jobs as required under Section 8.06 are present on the Property.
- (5) DPD has issued a Phase II Component Certificate of Completion.
- (6) Developer has presented evidence satisfactory to DPD that it has incurred and paid for up to \$13,612,500 in TIF-Funded Improvements.
- (7) The Property is partially or fully assessed and is generating incremental tax revenues above the base incremental tax revenues generated by the Property prior to the June 23, 2004 TIF Ordinances.

Phase III (2013 - 2015):

- (1) The Developer has built a 80,000 square foot manufacturing building (Building 2C) on the Property and completed other Phase III Project work as described and approved by DPD prior to initiation of Phase III.
- (2) The City has issued a Certificate of Occupancy for the Phase III Project work, if applicable.
- (3) The City's Monitoring and Compliance unit has determined in writing that for Phase III, Developer is in full compliance with all City Requirements.
- (4) DPD has verified that at least 1,200 FTE permanent jobs as required under Section 8.06 are present on the Property.
- (5) DPD has issued a Phase III Component Certificate of Completion.
- (6) Developer has presented evidence satisfactory to DPD that it has incurred and paid for up to \$6,622,500 in TIF-Funded Improvements.
- (7) The Property is partially or fully assessed and is generating incremental tax revenues above the base incremental tax revenues generated by the Property prior to the June 23, 2004 TIF Ordinances.

Phase IV (2016 - 2018):

- (1) The Developer has completed Phase IV Project work as described and approved by DPD prior to initiation of Phase IV.
- (2) The City has issued a Certificate of Occupancy for the Phase IV Project work, if applicable.

- (3) The City's Monitoring and Compliance unit has determined in writing that for Phase IV, Developer is in full compliance with all City Requirements.
- (4) DPD has verified that at least 1,200 FTE permanent jobs as required under Section 8.06 are present on the Property.
- (5) DPD has issued a Phase IV Component Certificate of Completion.
- (6) Developer has presented evidence satisfactory to DPD that it has incurred and paid for up to \$7,660,000 in TIF-Funded Improvements.
- (7) The Property is partially or fully assessed and is generating incremental tax revenues above the base incremental tax revenues generated by the Property prior to the June 23, 2004 TIF Ordinances.

Phase V (2019 - 2021):

- (1) The Developer has built a 40,000 square foot manufacturing building (Building 15B) to be used as expansion space for S&C Polymer Products manufacturing, and completed other Phase V Project work as described and approved by DPD prior to initiation of Phase V.
- (2) The City has issued a Certificate of Occupancy for the Phase V Project work, if applicable.
- (3) The City's Monitoring and Compliance unit has determined in writing that for Phase V, Developer is in full compliance with all City Requirements.
- (4) DPD has verified that at least 1,200 FTE permanent jobs as required under Section 8.06 are present on the Property.
- (5) DPD has issued a Phase V Component Certificate of Completion.
- (6) Developer has presented evidence satisfactory to DPD that it has incurred and paid for up to \$5,225,000 in TIF-Funded Improvements.
- (7) The Property is partially or fully assessed and is generating incremental tax revenues above the base incremental tax revenues generated by the Property prior to the June 23, 2004 TIF Ordinances.

Phase VI (2022 - 2024):

- (1) The Developer has completed other Phase VI Project work as described and approved by DPD prior to initiation of Phase VI.
- (2) The City has issued a Certificate of Occupancy for the Phase VI Project work, if applicable.
- (3) The City's Monitoring and Compliance unit has determined in writing that for Phase VI, Developer is in full compliance with all City Requirements.
- (4) DPD has verified that at least 1,200 FTE permanent jobs as required under Section 8.06 are present on the Property.
- (5) DPD has issued a Phase VI Component Certificate of Completion.
- (6) Developer has presented evidence satisfactory to DPD that it has incurred and paid for up to \$4,580,000 in TIF-Funded Improvements.

- (7) The Property is partially or fully assessed and is generating incremental tax revenues above the base incremental tax revenues generated by the Property prior to the June 23, 2004 TIF Ordinances.

Phase VII (2025 - 2026):

- (1) The Developer has built a 80,000 square foot parking structure on the Property and completed Project work as described and approved by DPD prior to initiation of Phase VII.
- (2) The City has issued a Certificate of Occupancy for the Phase VII Project work, if applicable.
- (3) The City's Monitoring and Compliance unit has determined in writing that for Phase VII, Developer is in full compliance with all City Requirements.
- (4) DPD has verified that at least 1,200 FTE permanent jobs as required under Section 8.06 are present on the Property.
- (5) DPD has issued a Phase VII Component Certificate of Completion, and the Project Certificate.
- (6) Developer has presented evidence satisfactory to DPD that it has incurred and paid for up to \$3,007,500 in TIF-Funded Improvements.
- (7) The Property is partially or fully assessed and is generating incremental tax revenues above the base incremental tax revenues generated by the Property prior to the June 23, 2004 TIF Ordinances.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing hereunder (the "**Prior Expenditure(s)**"). DPD has the right, in its sole discretion, to disallow any such expenditure (not listed on Exhibit G) as a Prior Expenditure as of the date of this Agreement. Exhibit G states the prior expenditures approved by DPD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by Developer under Section 4.01.

(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, and transfers of costs and expenses from one line item to another may be made by the Developer from time to time and at any time, upon notice to the City and without requiring an amendment to this Agreement.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available under Section 4.03, Developer will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the TIF-

Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project in excess of the Project Budget.

4.07 **TIF Bonds.** The Commissioner of DPD may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the Comptroller, is marketable under the then current market conditions. The proceeds of TIF Bonds may be used to pay amounts due to Developer under this Agreement and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne by the City. Developer will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05.

ARTICLE FIVE: CONDITIONS PRECEDENT

The following conditions must be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

5.01 **Project Budget.** Developer will have submitted to DPD, and DPD will have approved, a Project Budget in accordance with the provisions of Section 3.03.

5.02 **Scope Drawings and Plans and Specifications.** Developer will have submitted to DPD, and DPD will have approved, the Scope Drawings and Plans and Specifications for Phase I and the conceptual plan for subsequent Phases as provided in Section 3.01 and Section 3.02.

5.03 **Other Governmental Approvals.** Not less than 5 Business Days prior to the Closing Date, Developer will have secured or applied for or have provided DPD with an application time schedule for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of Phase I of the Project, and will submit evidence thereof to DPD.

5.04 **Financing.**

(a) Developer will have furnished proof acceptable to the City that Developer has Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 to initiate Phase I and the financial capability to complete the Project and satisfy its obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer will have furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other sources set forth in Section 4.01) to complete the Project.

(b) Prior to the Closing Date, Developer will deliver to DPD a copy of the construction escrow agreement entered into by Developer regarding Developer's Lender Financing, if any. The construction escrow agreement must provide that the City will receive

copies of all construction draw request materials submitted by Developer after the date of this Agreement.

(c) Any financing liens against the Plant or the Property in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in this Agreement under a subordination agreement, substantially in the form of Exhibit N, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, in the Office of the Recorder of Deeds of Cook County.

5.05 **Acquisition and Title.** On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Property, showing Developer as the named insured. The Title Policy will be dated down as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit H hereto and will evidence the recording of this Agreement under the provisions of Section 8.16. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access, and survey.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer, at its own expense, will have provided the City with current searches under Developer's name as follows:

Secretary of State (IL)	UCC search
Secretary of State (IL)	Federal tax lien search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax lien search
Cook County Recorder	State tax lien search
Cook County Recorder	Memoranda of judgments search
U.S. District Court (N.D. IL)	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against Developer, the Plant or the Property or any fixtures now or hereafter acquired, except for the Permitted Liens.

5.07 **Surveys.** Not less than 5 Business Days prior to the Closing Date, Developer will have furnished the City with 3 copies of the Survey, if requested by DPD.

5.08 **Insurance.** Developer, at its own expense, will have insured the Plant and the Property as required under Article Twelve. At least 5 Business Days prior to the Closing Date, certificates required under Article Twelve evidencing the required coverages will have been delivered to DPD.

5.09 **Opinion of Developer's Counsel.** On the Closing Date, Developer will furnish the City with an opinion of counsel, substantially in the form of Exhibit I, with such changes as may be required by or acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in Exhibit I, such opinions shall be obtained by Developer from its general corporate counsel.

5.10 **Evidence of Prior Expenditures.** Not less than 20 Business Days prior to the Closing Date, Developer will have provided evidence satisfactory to DPD of the Prior Expenditures as provided in Section 4.05(a).

5.11 **Financial Statements.** Not less than 15 days prior to the Closing Date, Developer will have provided Financial Statements to DPD for its 2005, 2006 and 2007 fiscal years, if available, and its most recently available unaudited interim Financial Statements.

5.12 **Additional Documentation.** Developer shall have provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment profile and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds at the Plant or on the Property, if any.

5.13 **Environmental Audit.** Not less than 15 days prior to the Closing Date, Developer has previously provided DPD with copies of all phase I environmental audits completed with respect to the Property, if any. Prior to the Closing Date, Developer will provide the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits, if any.

5.14 **Entity Documents.** Developer will provide a copy of its current certificate of incorporation, with all amendments, containing the original certification of the Secretary of State of its state of organization; its by-laws; certificates of good standing from the Secretary of State of its state of organization; Developer's qualification to do business in the State, and a State good standing certificate; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other organizational documentation as the City may request.

5.15 **Litigation.** Developer shall provide to Corporation Counsel and DPD, at least 10 Business Days prior to the Closing Date, a description of all pending or overtly threatened litigation or administrative proceedings involving Developer or any Affiliate of Developer, which owns, directly or indirectly, equity in Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance.

ARTICLE SIX: AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for Prime Contractors and Subcontractors.

(a) DPD has approved Developer's selection of Bulley & Andrews, LLC, an Illinois limited liability company, Hill Mechanical Corp., an Illinois corporation and Continental Electrical Construction Company, LLC, an Illinois limited liability company as the Prime Contractors (the "**Prime Contractors**") for the construction of the Project. Developer has caused the Prime Contractors to solicit bids from qualified subcontractors eligible to do business with the City, and must submit all bids received to DPD for its inspection.

(b) For the TIF-Funded Improvements, Developer shall cause the Prime Contractors to select the subcontractors submitting the lowest bid who can complete the respective Phase of the Project in a responsible and timely manner in Developer's discretion and who will enable the Developer to meet its obligations under Article Ten referred to as the ("lowest responsible bid"). If the Prime Contractors select any subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be reimbursed from City Funds;

(c) Developer must submit copies of each Construction Contract to DPD in accordance with Section 6.02. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements must be provided to DPD within 5 Business Days of the execution thereof.

6.02 Construction Contract. Developer has delivered to DPD and Corporation Counsel a certified copy of each of the Construction Contracts entered into by Developer as of the date of this Agreement, together with any modifications, amendments, or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any work in the public way, Developer will require that the Prime Contractors and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better using the bond form attached as Exhibit K. The City must be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. Developer will contractually obligate and cause the Prime Contractors to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten.

6.05 Other Provisions. In addition to the requirements of this Article Six, each Construction Contract and each contract with any subcontractor must contain provisions required under Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment

Requirement), Section 10.03 (Developer's MBE/WBE Commitment), Article Twelve (Insurance) and Section 14.01 (Books and Records). Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements must be provided to DPD within 10 Business Days of the execution thereof.

ARTICLE SEVEN: COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction.

(a) Upon completion of the construction of the Project in accordance with the terms of this Agreement, and upon Developer's written request, DPD will issue to Developer a certificate of completion of construction in recordable form (the "Certificate") certifying that Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. Upon completion of each Phase in accordance with the terms of this Agreement, and upon Developer's written request, DPD will issue to Developer a Component Completion Certificate in recordable form certifying that Developer has fulfilled its obligation to complete such Phase of the Project in accordance with the terms of the Agreement.

(b) DPD shall respond to Developer's written request for a Certificate or Component Completion Certificate within 45 days by issuing either a Certificate or Component Completion Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed and the measures which must be taken by Developer in order to obtain the Certificate or Component Completion Certificate. Developer may resubmit a written request for a Certificate or Component Completion Certificate upon completion of such measures, and the City shall respond within 45 days in the same manner as set forth with respect to the initial request. Such process may repeat until the City issues a Certificate or Component Completion Certificate.

7.02 Effect of Issuance of Certificate; Continuing Obligations.

(a) The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.06 (Job Creation and Retention; Covenant to Remain in the City), and Section 8.17 (Real Estate Provisions) as covenants that run with the land are the only covenants in this

Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate (except with respect to Section 8.02). The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 **Notice of Expiration of Term of Agreement.** Upon the expiration of the Term of the Agreement, DPD will provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.

8.01 **General.** Developer represents, warrants, and covenants, at the Closing Date and as of the date of each disbursement of City Funds hereunder, that:

- (a) Developer is a Delaware corporation, duly organized, validly existing, and qualified to do business in Illinois;
- (b) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;
- (c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its certificate of incorporation as amended and supplemented, its by-laws, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is a party at the Closing Date or is a party at the date of each disbursement of City Funds after the Closing Date or by which Developer or any of its assets is bound at the Closing Date or is bound at the date of each disbursement of City Funds after the Closing Date;
- (d) Developer has acquired and will maintain good, indefeasible and merchantable fee simple title to the Property (and improvements) free and clear of all liens (except for the Permitted Liens, Lender Financing, if any, as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith under Section 8.13);
- (e) Developer is now, and for as long during the Term of the Agreement that Developer holds fee simple title to the Property, will remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, to Developer's actual knowledge threatened or affecting Developer which would impair its ability to perform under this Agreement;

(g) Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

(h) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer or any of its assets is bound or which otherwise binds the Property or by which the Property or any property interest therein is collateral or security for any debt;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of Developer; and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements which would have a material adverse effect on Developer's ability to perform its obligations under this Agreement;

(j) prior to the issuance of a Certificate if it would materially affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition or Developer's ability to continue operations at the Plant or on the Property; provided, however, that: individual shareholders of Developer, including any trusts or similar entities are entitled to transfer their ownership interests in Developer: (i) to other existing shareholders scheduled on a stockholder list delivered to the City on the Closing Date, (ii) to family members, and (iii) to personal trusts controlled by such individual shareholders, and (iv) to the Developer for redemption; and provided, further that none of the foregoing shareholder transfer restrictions shall apply to shareholders of Developer owing 1.50% or less of Developer's shares.

Additionally, after the issuance of a Certificate, Developer will inform the City not less than 60 days prior to any pending sale of substantially all of its assets or equity to a person or entity which is not an Affiliate of Developer;

(k) Developer has not incurred and, prior to the issuance of a Certificate, will not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property and the Project other than the Permitted Liens; or incur any indebtedness secured or to be secured by the Property and the Project or any fixtures now or hereafter attached thereto, except: (i) Lender Financing disclosed in the Project Budget; and (ii) liens in the ordinary course of Developer's business; and

(l) Developer has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or under City ordinance, for services to any City agency ("**City Contract**") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code of the City.

(m) Neither the Developer nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons Lists, the Unverified List, the Entity List and the Debarred List.

8.02 Covenant to Redevelop. Upon DPD's approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer will redevelop the Project in accordance with this Agreement and all exhibits attached hereto, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants stated in this Section 8.02 run with the land and will be binding upon any transferee, until fulfilled as evidenced by the issuance of a Certificate.

8.03 Redevelopment Plan. Developer represents that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date hereof.

8.04 Use of City Funds. City Funds disbursed to Developer will be used by Developer solely to reimburse Developer for its payment for the TIF-Funded Improvements as provided in this Agreement.

8.05 Cooperation in Issuance of TIF Bonds or Other Bonds. Developer will, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) TIF Bonds or other bonds ("**Bonds**") in connection with the Project or the Redevelopment Area, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-

Funded Improvements; provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer will, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such TIF Bonds or other Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition, and assisting the City in preparing an offering statement with respect thereto. Developer shall not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading.

8.06 Job Creation and Retention; Covenant to Remain in the City.

(a) Developer covenants to create or to retain not less than 1,500 FTE permanent jobs on the Property plus 50 new FTE permanent jobs by January 1, 2010 at the completion of Phase I. Developer covenants to create or retain not less than 1,200 FTE of such permanent jobs on each of the completion dates for Phases II through VII as calculated below. To be in compliance with the requirements of Section 8.06(a), Developer must meet one of two tests:

(i) The number of FTE permanent jobs must exceed the target number, or measured by number of FTE permanent jobs existing at the end of each calendar quarter, averaged over the 4 calendar quarters for the year prior to which payment of City Funds is to be made; or

(ii) The number of FTE permanent jobs existing in the 4th quarter of a calendar year exceeds the target number, and Developer provides evidence to DPD's satisfaction that such jobs will be filled in the subsequent year.

In any case, Developer must demonstrate that the jobs counted do not include so-called "temporary" part-time or full-time positions. Developer agrees to utilize the Mayor's Office of Workforce Development (MOWD) and its contracted agencies as a source for referral in the filling of employment opportunities.

(b) Developer covenants to maintain its industrial manufacturing operations and corporate headquarters within the City at the Property for the Term of the Agreement.

(c) Developer covenants to operate the Project in compliance with the Redevelopment Plan and applicable zoning laws.

The covenants stated in this Section 8.06 run with the land and will be binding on any transferee.

8.07 Employment Opportunity. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the Prime Contractors and, as

applicable, to cause the Prime Contractors to contractually obligate each subcontractor to abide by the terms set forth in Section 8.09 (Prevailing Wage) and Article Ten (Developer's Employment Obligations). Developer will submit to DPD a plan describing its compliance program prior to the Closing Date. Developer will deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports will be delivered to the City when the Project is 25%, 50%, 70% and 100% complete (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer will also deliver a plan to DPD which will outline, to DPD's satisfaction, the manner in which Developer will correct any shortfall.

8.08 Employment Profile. Developer will submit, and contractually obligate and cause the Prime Contractors to submit and contractually obligate any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.09 Prevailing Wage. Developer covenants and agrees to pay, and to contractually obligate and cause the Prime Contractors to pay and to contractually cause each subcontractor to pay, the then applicable prevailing wage rate as ascertained from time to time by the State Department of Labor (the "**Labor Department**"), to all laborers, workers, mechanics and tradesmen for and on the Project. All such contracts shall list the specified rates to be paid to all laborers, workers, mechanics and tradesmen for each craft or type of worker, mechanic or tradesman employed under such contract. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City's request, Developer will provide the City with copies of all such contracts entered into by Developer or the Prime Contractors to evidence compliance with this Section 8.09. If Developer has received a compliance letter from the City's monitoring staff concerning the City Requirement stated in this Section 8.09 for a Phase, and if the Prime Contractors have paid any wages and penalties required under the Prevailing Wage Act within such time and in such manner as required by the Prevailing Wage Act for such Phase, then Developer shall have no further liability under this Agreement with respect to this Section 8.09 for such Phase, and shall not be deemed in default under this Section 8.09 for such Phase. The provisions of this Section 8.09 shall not apply to the installation of machinery and equipment used in Developer's business operations.

8.10 Arms-Length Transactions. Unless DPD shall have given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer will provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Financial Statements. Developer will obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2005, 2006 and 2007, as applicable, and each year thereafter for the Term of the Agreement. In addition, Developer will submit unaudited financial

statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.12 **Insurance.** Developer, will comply with all provisions of Article Twelve (Insurance) solely at its own expense.

8.13 **Non-Governmental Charges.**

(a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto and which are owned by Developer, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer will furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) **Right to Contest.** Developer will have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.13); or

(ii) to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD will require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such transfer or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.14 **Developer's Liabilities.** Developer will not enter into any transaction that would materially and adversely affect its ability to perform its obligations under this Agreement. Unless prohibited from doing so by applicable law, Developer will immediately notify DPD of any and all events or actions which may materially and adversely affect Developer's ability to perform its obligations under this Agreement.

8.15 **Compliance with Laws.** To the best of Developer's knowledge, after diligent inquiry, the Property, and the Project are and shall be in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property, including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560, whether or not in the performance of this Agreement. Upon the City's request, Developer will provide evidence satisfactory to the City of such compliance.

8.16 **Recording and Filing.** Developer will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Property. Developer will pay all fees and charges incurred in connection with any such recording. Upon recording, Developer will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.17 **Real Estate Provisions.**

(a) **Governmental Charges.**

(i) **Payment of Governmental Charges.** Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" means all Federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to Developer, the Property or the Project, including but not limited to real estate taxes.

(ii) **Right to Contest.** Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or transfer or forfeiture of the Property or the Project. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and unless:

(x) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or transfer or forfeiture of, all or any part of the Property or the Project to satisfy

such Governmental Charge prior to final determination of such proceedings, and/or;

(y) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer or forfeiture of the Property or Project during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer will advise DPD thereof in writing, at which time DPD may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly disbursed to DPD by Developer. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City copies of the latest audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. Developer agrees that for the purposes of this Agreement, the total projected minimum assessed value of the Property ("**Minimum Assessed Value**") is shown on Exhibit J attached hereto and incorporated herein by reference for the years noted on Exhibit J.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of this Agreement, seek or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

(iii) No Reduction in Real Estate Taxes. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit J for the applicable year.

(iv) **No Objections.** Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, will object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under Assessment Complaint (as defined below) or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "**Under Assessment Complaint**" as used in this Agreement means any complaint seeking to increase the assessed value of the Property or the Project up to (but not above) the Minimum Assessed Value as shown in Exhibit J.

(v) **Covenants Running with the Land.** The parties agree that the restrictions contained in this Section 8.17(c) are covenants running with the land. This Agreement will be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions will be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants will be released when the Redevelopment Area is no longer in effect. Developer agrees that any sale, transfer, lease, conveyance, or transfer of title to all or any portion of the Property or the Project from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.17(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.17(c).

8.18 **Public Benefits Program.** Prior to the Closing Date, Developer, either directly or through its charitable foundation, has made contributions to those organizations in the amounts listed in Exhibit L ("**Public Benefits Program**") described in more detail in Exhibit L. Developer will provide the City with proof of Developer's compliance with the Public Benefits Program.

8.19 **Broker's Fees.** Developer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.20 **No Conflict of Interest.** Under Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or Developer with respect thereto (a "**City Group Member**"), owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer's business, the Property, the Project, or to Developer's actual knowledge, any other property in the Redevelopment Area.

8.21 **Disclosure of Interest.** Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property or any other feature of the Project.

8.22 **No Business Relationship with City Elected Officials.** Developer acknowledges receipt of a copy of Section 2-156-030 (b) of the Municipal Code and that Developer has read and understands such provision. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, shall be grounds for termination of this Agreement and the transactions contemplated thereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated thereby.

8.23 **Prohibition on Certain Contributions – Mayoral Executive Order No. 05-1.**

Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("**Owners**"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("**Contractors**"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("**Sub-owners**") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "**Identified Parties**"), will not make a contribution of any amount to the Mayor of the City of Chicago (the "**Mayor**") or to his political fundraising committee: (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract is executory, (iii) during the Term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants, to the best of its knowledge, that from the later of: (i) February 10, 2005, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it will not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's

political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City of Chicago to which Developer is a party that is: (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are **"Domestic Partners"** if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and

- (E) two of the following four conditions exist for the partners:
1. The partners have been residing together for at least 12 months.
 2. The partners have common or joint ownership of a residence.
 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 4. Each partner identifies the other partner as a primary beneficiary in a will.

“Political fundraising committee” means a “political fundraising committee” as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

8.24 **Survival of Covenants.** All warranties, representations, covenants and agreements of Developer contained in this Article Eight and elsewhere in this Agreement shall be true, accurate and complete at the time of Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Article Seven hereof upon the issuance of a Certificate or a Component Completion Certificate) shall be in effect throughout the Term of the Agreement.

ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY

9.01 **General Covenants.** The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

9.02 **Survival of Covenants.** All warranties, representations, and covenants of the City contained in this Article Nine or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

ARTICLE TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 **Employment Opportunity.** Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating at the Plant, the Property or on the Project (collectively, with Developer, such parties are defined herein as the "**Employers**", and individually defined herein as an "**Employer**") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in

connection with the construction of the Project or occupation of the Property solely in connection with the construction of the Project:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time-to-time (the "**Human Rights Ordinance**"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all applicable Federal, State and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the State Human Rights Act, 775 ILCS 5/1-101 et seq. (2004 State Bar Edition, as amended), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of Federal, State and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors and

every agreement with any Affiliate engaged in construction of the Project, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof.

10.02 City Resident Construction Worker Employment Requirement.

(a) Developer agrees for itself and its successors and assigns, and will contractually obligate its Prime Contractors as are necessary and appropriate to achieve compliance with the provisions of this Section 10.02 and will cause the Prime Contractors to contractually obligate such subcontractors as are necessary and appropriate to achieve compliance with the provisions of this Section 10.02, to agree, that during the construction of the Project they will comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its Prime Contractors and each such subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer, the Prime Contractors and each such subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

(b) Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

(c) "**Actual residents of the City**" means persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

(d) Developer, the Prime Contractors and each subcontractor will provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer will maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

(e) Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of DPD in triplicate, which will identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

(f) The Prime Contractors and each subcontractor will provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them for the sole purpose of determining compliance with this Section 10.02. The Prime Contractors and each subcontractor will maintain all relevant personnel data and records for a period of at least 3 years after final acceptance of the work constituting the Project.

(g) At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the Prime Contractors and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

(h) Good faith efforts on the part of Developer, the Prime Contractors and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) will not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

(i) When construction of each Phase of the Project is completed, in the event that the City has determined that Developer has failed to cause the fulfillment of the requirements of this Article concerning the worker hours performed by actual residents of the City or failed to report in the manner as indicated above for the respective completed Phase, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Article. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project Budget for the completed Phase (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement for such Phase. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories for the Phase in question. The willful falsification of statements and the certification of payroll data may subject Developer, the Prime Contractors and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago for the Phase in question may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph for such Phase.

(j) Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

(k) Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and in such subcontracts as are necessary and appropriate to achieve compliance with the provisions of this Section 10.02 related to the Project.

10.03 Developer's MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements stated in this section, will contractually obligate the Prime Contractors to agree that during the construction of the Project:

(a) Consistent with the findings which support, as applicable: (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "**Construction Program**", and collectively with the Procurement Program, the "**MBE/WBE Program**"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the construction of the Project, at least the following percentages of the MBE/WBE Budget (as stated in Exhibit D-2) must be expended for contract participation by Minority-Owned Businesses ("**MBEs**") and by Women-Owned Businesses ("**WBEs**"):

- (1) At least 24 percent by MBEs.
- (2) At least 4 percent by WBEs.

Developer is required to meet the MBE/WBE goals stated in this Section 10.03 on a Phase-by-Phase basis. If Developer has participation credits for a Phase in excess of the 24% / 4% goals, then Developer may carry over such credits to the next Phase. If Developer has participation deficiencies for a Phase, then Developer may not "catch-up" in the next or subsequent Phase.

(b) For purposes of this Section 10.03 only:

(i) Developer (and any party to whom a contract is let by Developer in connection with the construction of the Project) is deemed a "**contractor**" and this Agreement (and any contract let by Developer in connection with the construction of the Project) is deemed a "**contract**" or a "**construction contract**" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(ii) The term "**minority-owned business**" or "**MBE**" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(iii) The term “**women-owned business**” or “**WBE**” shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City’s Department of Procurement Services, or otherwise certified by the City’s Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer’s MBE/WBE commitment may be achieved in part by Developer’s status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of: (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as a Prime Contractor (but only to the extent of any actual work performed on the Project by the Prime Contractor), by subcontracting or causing the Prime Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the construction of the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer’s MBE/WBE commitment as described in this Section 10.03. In compliance with Section 2-92-730, Municipal Code of Chicago, Developer will not substitute any MBE or WBE Prime Contractor or subcontractor without the prior written approval of DPD.

(d) Developer must deliver quarterly reports to the City’s monitoring staff during the Project describing its efforts to cause compliance with this MBE/WBE commitment. Such reports will include, inter alia: the name and business address of each MBE and WBE solicited by the Prime Contractors to work on the construction of the Project, and the responses received from such solicitation; the name and business address of each MBE or WBE actually involved in the Project; a description of the work performed or products or services supplied; the date and amount of such work, product or service; and such other information as may assist the City’s monitoring staff in determining the Developer’s compliance with this MBE/WBE commitment. Developer will cause records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project to be maintained for at least 5 years after completion of the Project, and the City’s monitoring staff will have access to all such records maintained on behalf of Developer, on 5 Business Days’ notice, to allow the City to review Developer’s compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the construction of the Project.

(e) Upon the disqualification of any MBE or WBE Prime Contractors or subcontractor, if such status was misrepresented by the disqualified party, Developer is obligated to discharge or cause to be discharged the disqualified Prime Contractors or subcontractor, and, if possible, cause a qualified MBE or WBE to be identified and engaged as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the construction of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The Prime Contractors and all major subcontractors are required to attend this pre-construction meeting. During said meeting, Developer will demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which will be approved by the City's monitoring staff. During the Project, Developer shall submit or cause to be submitted the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) quarterly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, will, upon the delivery of written notice to Developer, be deemed an Event of Default.

ARTICLE ELEVEN: ENVIRONMENTAL MATTERS

11.01 **Environmental Matters**. Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws, this Agreement and all Exhibits attached hereto, the Scope Drawings, the Plans and Specifications and all amendments thereto, the TIF Bond Ordinance, if any, and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from: (A) all or any portion of the Property, or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or

obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

ARTICLE TWELVE: INSURANCE

12.01 **Insurance Requirements.** Developer's insurance requirements are set forth in Schedule B which is hereby incorporated into this Agreement by reference and made a part hereof.

ARTICLE THIRTEEN: INDEMNIFICATION

13.01 **General Indemnity.** Developer agrees to indemnify, pay and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "**Indemnitee**," and collectively the "**Indemnitees**") harmless from and against, any and all liabilities, obligations, losses, damages (arising out of a third party action against the City), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever, (and including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees by a third party in any manner relating to or arising out of:

- (i) Any cost overruns as described in Section 4.06; or
- (ii) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (iii) Developer's or any contractor's failure to properly pay Prime Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or
- (iv) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or its agents, employees, contractors or persons acting under the control or at the request of Developer; or
- (v) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto; or
- (vi) any act or omission by Developer or any Affiliate of Developer.

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 **Books and Records.** Developer shall keep and maintain or cause to be maintained separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, Prime Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City upon 3 Business Days prior written notice, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 **Inspection Rights.** Upon 3 Business Days notice, any authorized representative of the City will have access to all portions of the Project and the Property (excluding confidential product information, trade secrets and proprietary product information) during normal business hours for the Term of the Agreement for the sole and exclusive purpose of determining Developer's compliance with the terms of this Agreement.

ARTICLE FIFTEEN: DEFAULT AND REMEDIES

15.01 **Events of Default.** The occurrence of any one or more of the following events, subject to the provisions of Section 15.03 (Curative Period), constitutes an "Event of Default" by Developer hereunder:

- (a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;
- (b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with

any person or entity if such failure has a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt by Developer to create, any lien or other encumbrance upon the Property or the Project, including any fixtures now or hereafter attached thereto; other than the Permitted Liens and liens in the ordinary course of Developer's business operations, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or Developer's ultimate parent, if any, for the liquidation or reorganization of Developer or Developer's ultimate parent, if any, or alleging that Developer or Developer's ultimate parent, if any, is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's or Developer's ultimate parent, if any, debts, whether under the United States Bankruptcy Code or under any other state or Federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer or Developer's ultimate parent, if any; provided, however, that if such commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such proceedings are not dismissed within 60 days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's or Developer's ultimate parent, if any, assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer or Developer's ultimate parent, if any; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within 60 days after the commencement thereof;

(g) the entry of any judgment or order against Developer for an amount in excess of \$2.0 million with respect to the Project which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

(h) the occurrence of an event of default under the Lender Financing, if any, which default is not cured within any applicable cure period;

(i) the dissolution of Developer; or

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within 60 days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor).

For purposes of Section 15.01(j) hereof, a natural person with a material interest in Developer is one owning in excess of thirty-three percent (33%) of Developer's issued and outstanding ownership shares or interests.

15.02 **Remedies - In General.** Except as otherwise provided in Section 15.03, upon the occurrence of an Event of Default, the City may exercise one or more of the following remedies:

- (i) terminate this Agreement; and/or,
- (ii) suspend or cancel disbursement of City Funds; and/or,
- (iii) in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including injunctive relief, subject to the provisions of Section 18.24.

15.03 **Specific Remedies.** If any of the following events occur, then the City may exercise the following exclusive remedies:

(a) **Failure to Operate.** If the Developer (or any successor entity approved by DPD) fails to operate an industrial manufacturing operation on the Property during the Term of the Agreement, including operation of an Advance Technology Center, consistent in kind and scope with Developer's current operations at the Plant and on the Property as of the date of this Agreement, and such failure to operate is not caused by renovation work or by reasons of force majeure as described in Section 18.17, condemnation or casualty, then the City may:

- (i) terminate this Agreement; and/or,
- (ii) suspend or cancel disbursement of City Funds.

There is no cure period for a failure to operate event.

(b) **Sale of the Property and/or Plant.** If Developer sells the Property and/or Plant to a non-Affiliate, and the buyer does not enter into a separate agreement with the City or otherwise agree to the City's satisfaction to assume the obligations of Developer under this Agreement on or prior to the sale transaction closing date, then the City may:

- (i) terminate this Agreement; and/or,

- (ii) suspend or cancel any further disbursement of City Funds.

(c) Failure to Complete Any Phase of the Project. If Developer fails to complete any Phase of the Project, and such failure to complete was not caused by reasons of force majeure as described in Section 18.17, condemnation or casualty, then the City shall continue to make payments of City Funds to Developer as provided in this Agreement for all Project Phases which have been qualified for payment under this Agreement. Developer shall have 1 year after notice from the City to Developer of such failure to complete or resume construction of the uncompleted Phase. If Developer does not resume normal efforts to complete the uncompleted Phase after 1 year from the City's notice, then the City may:

- (i) terminate this Agreement as to the uncompleted Phase and any future Phases; and/or,
- (ii) suspend or cancel any further disbursement of City Funds applicable to the uncompleted Phase and any future Phases, provided, however the obligation of the City to continue to make payments of City Funds to Developer for all completed Phases shall remain in full force and effect.

In addition, the City shall have the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements that are public improvements exceeds the amount of City Funds available pursuant to Section 4.01, Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(d) Failure to Maintain Jobs Within 5 Years of the Date of the Phase I Component Certificate of Completion. Developer (or any successor entity approved by DPD) will have 1 cure period of 1 year to meet the jobs requirements stated in Section 8.06(a). During the 5 year period after the date of the Phase I Component Certificate of Completion, if Developer has a 2nd default year, or if Developer fails to cure the 1st job default, then the City may:

- (i) terminate this Agreement; and/or,
- (ii) suspend or cancel any further disbursement of City Funds; and/or,
- (iii) require the Developer to refund to the City all City Funds previously paid to Developer.

(e) Failure to Maintain Jobs After 5 Years of the Date of the Phase I Component Certificate of Completion. If Developer fails to maintain the jobs requirements stated in Section 8.06(a) after the fifth anniversary of the date of the Phase I Component Certificate of

Completion, then Developer will have 1 cure period of 1 year to meet such jobs requirements and the City may withhold payment of City Funds during such cure period year. If the Developer cures its shortfall, then the City will release all withheld City Funds. If Developer fails to cure its shortfall, or if Developer has a 2nd shortfall year, then the City may:

- (i) terminate this Agreement; and/or,
- (ii) retain all withheld City Funds; and/or,
- (iii) suspend or cancel any further disbursement of City Funds.

15.04 Curative Period.

(a) In the event Developer fails to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless Developer has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer fails to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless Developer has failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day period, Developer will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured provided, further, that this Section 15.04 will not provide any additional cure period beyond any cure period set forth in Section 15.03.

ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT

16.01 Mortgaging of the Project. Any and all mortgages or deeds of trust in place as of the date hereof with respect to the Property or the Project or any portion thereof, and any other liens with respect to Lender Financing if any, are listed on Exhibit H (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, if any) and are referred to herein as the "**Existing Mortgages.**" Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or the Project or any portion thereof without obtaining the prior written consent of the City is referred to herein as a "**New Mortgage.**" Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or the Project or any portion thereof with the prior written consent of the City is

referred to herein as a "**Permitted Mortgage.**" It is hereby agreed by and between the City and Developer as follows:

(a) If a mortgagee or any other party shall succeed to Developer's interest in the Property or the Project or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 (Assignment), the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) Notwithstanding any provision in this Agreement to the contrary, the exercise of the remedies of foreclosure of a mortgage or any sale of Developer's interest in the Property or the Project in connection with a foreclosure, whether by judicial proceedings or by virtue of any power of sale contained in the mortgage, or any conveyance of Developer's interest in the Property or the Project to the mortgagee or its nominee or designee by virtue of or in lieu of foreclosure or other appropriate proceedings, or any conveyance of Developer's interest in the Property or the Project by the mortgagee or its nominee or designee, or any other exercise of remedies under the documents evidencing Lender Financing, if any, shall not require the consent or approval of the City or constitute a breach of any provision of or a default under this Agreement.

(c) If any mortgagee or any other party shall succeed to Developer's interest in the Property or the Project or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure or any party shall succeed to the ownership interest in Developer in connection with Lender Financing, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 (Assignment), the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of "Developer" hereunder, and expressly agrees to comply with all applicable City ordinances; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party shall have no liability under this Agreement for any Event of Default of Developer which occurred prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible; likewise, the Developer shall have no liability for any Event of Default of the succeeding mortgagee that accrues following the time such party succeeded to the Developer's interest hereunder, in which case, such succeeding mortgagee shall be solely liable. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

With Copies To: Polsky & Associates Ltd.
205 N. Michigan Avenue, 41st Floor
Chicago, Illinois 60601-5924
312/540-0200 (Main No.)
312/540-0207 (Fax)

or at such other address or telecopier/fax or telephone number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

17.02 **Developer Requests for City or DPD Approval.** Any request under this Agreement for City or DPD approval submitted by Developer must comply with the following requirements:

- (a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);
- (b) expressly state the particular document and section thereof relied on by Developer to request City or DPD approval;
- (c) if applicable, note in bold type that failure to respond to Developer's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or DPD;
- (d) if applicable, state the outside date for the City's or DPD's response; and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of Developer's request.

ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments.** This Agreement and the Exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties; provided, however, that the City in its sole discretion, may amend, modify or supplement the Redevelopment Plan, which is Exhibit C hereto without the consent of any party hereto. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement. It is agreed that no material amendment or change to

this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce or increase any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases or decreases any time agreed for performance by the Developer by more than 90 days.

18.02 Complete Agreement, Construction, Modification. This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter. This Agreement and the Schedules and Exhibits attached hereto may not be contradicted by evidence of prior, contemporaneous or subsequent verbal agreements of the parties. There are no unwritten verbal agreements between the parties.

18.03 Limitation of Liability. No member, elected or appointed official or employee or agent of the City shall be individually, collectively or personally liable to Developer or any successor in interest to Developer in the event of any default or breach by the City or for any amount which may become due to Developer or any successor in interest, from the City or on any obligation under the terms of this Agreement.

18.04 Further Assurances. Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement, and to accomplish the transactions contemplated in this Agreement.

18.05 Waivers. No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein must not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the City or the Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

18.08 **Titles and Headings.** The Article, section and paragraph headings contained herein are for convenience of reference only and are not intended to limit, vary, define or expand the content thereof.

18.09 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

18.10 **Counterpart Facsimile Execution.** For purposes of executing this Agreement, a document signed and transmitted by facsimile machine shall be treated as an original document. The signature of any party thereon shall be considered as an original signature, and the document transmitted shall be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document shall be re-executed by other parties in original form. No party hereto may raise the use of a facsimile machine as a defense to the enforcement of this Agreement or any amendment executed in compliance with this section. This section does not supercede the requirements of Article Seventeen: Notices.

18.11 **Severability.** If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.12 **Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

18.13 **Governing Law.** This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles.

18.14 **Form of Documents.** All documents required by this Agreement to be submitted, delivered or furnished to the City will be in form and content satisfactory to the City.

18.15 **Assignment.** Prior to the issuance by the City to Developer of a Certificate, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however, that Developer may assign, on a collateral basis, the right to receive City Funds to a lender providing Lender Financing which has been identified to the City as of the Closing Date. Notwithstanding the issuance of such Certificate, any successor in interest to Developer under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.06 (Job Creation and Retention; Covenant to Remain in the City), Section 8.17 (Real Estate Provisions) and Section 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. Developer hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 **Binding Effect.** This Agreement is binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein).

18.17 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them will be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, war, acts of terrorism, strike, public disorder, the imposition of martial law, revolution, insurrection, food shortages, disease or plague, bank holidays or failures or closures, financial system disruption, shortage of material, interruption of electric power or blackout, disruption of or inability to obtain fuel supplies, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder, except to the extent that the non-performing party is at fault in failing to prevent or causing such default or delay and provided that such default or delay cannot reasonably be circumvented by the non-performing party through the use of alternate sources, work around plans or other means. The individual or entity relying on this section with respect to any such delay will, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.18 **Exhibits and Schedules.** All of the exhibits and schedules attached hereto are incorporated herein by reference. Any exhibits and schedules to this Agreement will be

construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.19 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. 2004 State Bar Edition, as amended), if Developer is required to provide notice under the WARN Act, Developer will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.20 **Approval.** Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.21 **Construction of Words.** The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to."

18.22 **Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State law, the date for such performance will be the next succeeding Business Day.

18.23 **Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the consummation of the transactions contemplated hereby.

18.24 **Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

18.25 **Venue and Consent to Jurisdiction.** If there is a lawsuit under this Agreement, each party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

18.26 **Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's reasonable out-of-pocket expenses, including attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement but only if the City is determined to be the prevailing party in an action for enforcement. This includes, subject to any limits under applicable law, reasonable attorneys' fees and legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.27 **Time of the Essence.** Developer acknowledges and agrees that time is of the essence in the performance and observation by Developer of all of the terms, conditions, obligations, covenants and agreements contained in this Agreement applicable to Developer.

[The remainder of this page is intentionally left
blank and the signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be signed on or as of the day and year first above written.

S&C ELECTRIC COMPANY

By: Stanley F. Slabas

Printed
Name: Stanley F. Slabas

Title: Senior Vice President and
Chief Financial Officer

CITY OF CHICAGO

By: _____
Commissioner,
Department of Planning and
Development

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be signed on or as of the day and year first above written.

S&C ELECTRIC COMPANY

By: _____

Printed
Name: _____

Title: _____

CITY OF CHICAGO

By: *Allen Fiegel*
for A. Randall *af*

Commissioner,
Department of Planning and
Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

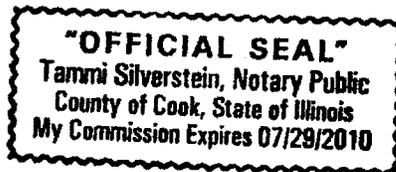
I, Tammi Silverstein, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Stanley F. Slabas, personally known to me to be the Senior Vice President and Chief Financial Officer of S&C Electric Company ("Developer"), a Delaware corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 30th day of July, 2008.

Tammi Silverstein
Notary Public

My Commission Expires 7-29-2010

(SEAL)



S&C ELECTRIC COMPANY

Redevelopment Agreement
dated as of July 30, 2008

SCHEDULE A

DEFINITIONS

For purposes of this Agreement the following terms shall have the meanings stated forth below:

"Act" has the meaning defined in Recital B.

"Actual Residents of the City" has the meaning defined for such phrase in Section 10.02.

"Affiliate" when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any person or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

"Agreement" has the meaning defined in the Agreement preamble.

"Available Incremental Taxes" means an amount equal to the Incremental Taxes (as defined below) in the Pratt/Ridge Industrial Park Conservation Redevelopment Project Area TIF Fund (as defined below), using the year 2002 as a base year for equalized assessed valuation, less up to 5% of the annual incremental tax revenues generated in the Redevelopment Area which may be reserved by the City for administrative related costs.

"Bonds" has the meaning defined in Section 8.05.

"Bundle" has the meaning defined in Section 8.23.

"Business Day" means any day other than Saturday, Sunday or a legal holiday in the State.

"Certificate" means the Certificate of Completion of Construction described in Section 7.01.

"Change Order" means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) and described in Section 3.02, Section 3.03 and Section 3.04, respectively.

"City" has the meaning defined in the Agreement preamble.

"City Contract" has the meaning defined in Section 8.01(l).

"City Council" means the City Council of the City of Chicago as defined in Recital C.

"City Funds" means the funds described in Section 4.03(a).

"City Group Member" has the meaning defined in Section 8.20.

"City Requirements" has the meaning defined in Section 3.07.

"Closing Date" means the date of execution and delivery of this Agreement by all parties hereto.

"Component Completion Certificate" means the certificate of completion that the City may issue with respect to any Phase of the Project as provided in Section 7.01.

"Construction Contract" means any contract, or Developer purchase order entered into between Developer and the Prime Contractors (as defined below) or Developer and any other contractor, subcontractor or vendor providing for construction of any portion of the Project together with any modifications, amendments or supplements thereto.

"Construction Program" has the meaning defined in Section 10.03(a).

"Contractors" has the meaning defined in Section 8.23.

"Contribution" has the meaning defined in Section 8.23.

"Corporation Counsel" means the City's Office of Corporation Counsel.

"Developer" has the meaning defined in the Agreement preamble.

"Domestic Partners" has the meaning defined in Section 8.23.

"DPD" has the meaning defined in the Agreement preamble.

"Employer(s)" has the meaning defined in Section 10.01.

"Environmental Laws" means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago (as defined below), including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

"Equity" means funds of Developer, whether generated from cash from operations or otherwise, (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.06 (Cost Overruns).

"Event of Default" has the meaning defined in Section 15.01.

"Existing Mortgages" has the meaning defined in Section 16.01.

"Financial Statements" means the financial statements regularly prepared by Developer, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, and which are delivered to the lender(s) providing Lender Financing pursuant to Developer's loan agreement(s).

"FTE" or "Full-Time Equivalent" means the total hours worked by all employees of Developer, as evidenced by payroll records, actually working at the Plant, Property or Project in a given calendar year divided by 1920 hours.

"Governmental Charge" has the meaning defined in Section 8.17.

"Hazardous Materials" means any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Human Rights Ordinance" has the meaning defined in Section 10.01.

"Identified Parties" has the meaning defined in Section 8.23.

"Incremental Taxes" means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the Pratt/Ridge Industrial Park Conservation Redevelopment Project Area TIF Fund.

"Indemnitee" and **"Indemnitees"** have the respective meanings defined in Section 13.01.

"Labor Department" has the meaning defined in Section 8.09.

"Lender Financing" means funds borrowed by Developer from lenders, and available to pay for costs of the Project, in the amount stated in Section 4.01, if any.

"Mayor" has the meaning defined in Section 8.23.

"MBE(s)" has the meaning defined in Section 10.03(b).

"MBE/WBE Program" has the meaning defined in Section 10.03(a).

"Minimum Assessed Value" has the meaning defined in Section 8.17(c)(i).

"Minority-Owned Business" has the meaning defined in Section 10.03(b).

"Municipal Code" means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

"New Mortgage" has the meaning defined in Section 16.01.

"Non-Governmental Charges" means all non-governmental charges, liens, claims, or encumbrances relating to Developer, the Property or the Project.

"Other Contract" has the meaning defined in Section 8.23.

"Owners" has the meaning defined in Section 8.23.

"Permitted Liens" means those liens and encumbrances against the Property and/or the Project stated in Exhibit H and as permitted in accordance with the terms of the Agreement.

"Permitted Mortgage" has the meaning defined in Section 16.01.

"Phase" means one of the Project phases described in Section 3.01.

"Plans and Specifications" means final construction documents containing a site plan and working drawings and specifications for the Project.

"Plant" has the meaning defined in Recital D.

"Political fundraising committee" has the meaning defined in Section 8.23.

"Pratt/Ridge Industrial Park Conservation Redevelopment Project Area TIF Fund" means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined above) will be deposited.

"Prevailing Wage Act" means the Illinois Prevailing Wage Act (820 ILCS 130/0.0 et seq. (2004 State Bar Edition)), as amended, and any regulations applicable thereto.

"Prime Contractor" means the prime contractors hired by Developer under Section 6.01.

"Prior Expenditure(s)" has the meaning defined in Section 4.05(a).

"Procurement Program" has the meaning defined in Section 10.03(a).

"Project" has the meaning defined in Recital D, as supplemented in Section 3.01.

"Project Budget" means the budget stated in Exhibit D-1, showing the total cost of the Project by line item, as furnished by Developer to DPD, in accordance with Section 3.03.

"Property" has the meaning defined in Recital D.

"Public Benefits Program" has the meaning defined in Section 8.18.

"Redevelopment Area" means the redevelopment project area as legally described in Exhibit A.

"Redevelopment Plan" has the meaning defined in Recital E.

"Redevelopment Project Costs" means redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget stated in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Requisition Form" has the meaning defined in Section 4.03(b)(i).

"Scope Drawings" means preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"State" means the State of Illinois as defined in Recital A.

"Sub-owners" has the meaning defined in Section 8.23.

"Survey" means an urban plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the Closing Date, reasonably acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing).

"Term of the Agreement" means the period of time commencing on the Closing Date and ending on December 31, 2028, being the end date for tax collections applicable to the 23rd year from the date of the Pratt/Ridge Industrial Park Conservation TIF Ordinances.

"TIF Adoption Ordinance" has the meaning stated in Recital C.

"TIF Bonds" has the meaning defined for such term in Recital F.

"TIF Bond Ordinance" has the meaning stated in Recital F.

"TIF Bond Proceeds" has the meaning stated in Recital F.

"TIF Ordinances" has the meaning stated in Recital C.

"TIF-Funded Improvements" means those improvements of the Project which: (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement, and (iv) are stated in Exhibit E.

"Title Company" means Chicago Title Insurance Company.

"Title Policy" means a title insurance policy in the most recently revised ALTA or equivalent form, showing Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"Under Assessment Complaint" has the meaning set forth in Section 8.17(c)(iv).

"**WARN Act**" means the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

"**WBE(s)**" has the meaning defined in Section 10.03(b).

"**Women-Owned Business**" has the meaning defined in Section 10.03(b).

S&C ELECTRIC COMPANY

Redevelopment Agreement
dated as of July 30, 2008

SCHEDULE B**ARTICLE TWELVE: INSURANCE REQUIREMENTS**

12.01 **Insurance.** Developer will provide and maintain, or cause to be provided and maintained, at Developer's own expense, or at the expense of the party required to maintain such insurance, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement, so long as such insurance is available on a commercially reasonable basis.

(a) Prior to Execution and Delivery of this Agreement

(i) Workers' Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident or illness or shall provide evidence of self insurance in amounts equal thereto.

(ii) Commercial General Liability Insurance (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(b) **Construction.** Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, sub-contractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service

under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident or illness.

(ii) Commercial General Liability Insurance (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of 2 years following Project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, Developer must cause each contractor to provide Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability Insurance

If and when any work is to be done adjacent to or on railroad or rail transit property, contractor must provide, or cause to be provided with respect to the operations that the contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance

When the contractor undertakes any construction, including improvements, betterments, and/or repairs, Developer must cause each contractor to provide, or cause to be provided All Risk Blanket Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the Project. Coverages shall include but are not limited to the following: collapse, boiler and

machinery if applicable, flood including surface water backup. The City will be named as an additional insured and loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Developer must cause such parties to maintain Professional Liability Insurance covering acts, errors, or omissions which shall be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work performed in connection with this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 2 years.

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement by Developer's architects, contractors, sub-contractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 1 year. The City is to be named as an additional insured on a primary, non-contributory basis.

(c) Other Insurance Required.

- (i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Project on a Phase-by-Phase basis as

constructed and so long as such insurance is available on a commercially reasonable basis. The City is to be named as an additional insured.

- (ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Project as constructed and so long as such insurance is available on a commercially reasonable basis. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City is to be named as an additional insured.

(d) Other Requirements

- (i) Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer must not be deemed to be a waiver by the City. Developer will advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance will not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.
- (ii) The insurance will provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.
- (iii) Any and all deductibles or self insured retentions on referenced insurance coverages are borne by Developer.
- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.

- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.
- (vii) The required insurance will not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.
- (viii) Developer will require its Prime Contractors and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein.
- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.
- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements.

**S&C ELECTRIC COMPANY
REDEVELOPMENT AGREEMENT
LIST OF SCHEDULES AND EXHIBITS**

Schedules

Schedule A	Definitions
Schedule B	Insurance Requirements

Exhibits

Exhibit A	*Redevelopment Area Legal Description
Exhibit B-1	*Legal Description of the Property
Exhibit B-2	*Site Plan for the Project
Exhibit C	Redevelopment Plan
Exhibit D-1	*Project Budget
Exhibit D-2	*MBE/WBE Budget - Phase I
Exhibit E	TIF-Funded Improvements
Exhibit F	Reserved
Exhibit G	Approved Prior Expenditures
Exhibit H	Permitted Liens
Exhibit I	Form of Opinion of Developer's Counsel
Exhibit J	*Minimum Assessed Value
Exhibit K	Form of Bond
Exhibit L	Public Benefits Program
Exhibit M	City Funds Requisition Form
Exhibit N	Form of City Subordination Agreement

(An asterisk(*) indicates which exhibits are to be recorded.)

S&C ELECTRIC COMPANY

Redevelopment Agreement
dated as of July 30, 2008

EXHIBIT A

REDEVELOPMENT AREA LEGAL DESCRIPTION

A legal description of the Redevelopment Area is attached to this exhibit cover sheet.

26670

JOURNAL--CITY COUNCIL--CHICAGO

6/23/2004

*Exhibit "A".**Pratt/Ridge Industrial Park Conservation
Area Legal Description.*

That part of the west half southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, located in the City of Chicago, Cook County, State of Illinois, described as follows:

beginning at the east line of North Ridge Boulevard and the north line of Lot 3 of D. Schreiber's Subdivision of that part of Lots 4 and 5 lying between the Chicago and Northwestern Railway and North Ridge Road except the north 50 feet of Lot 4 of Circuit Court Partition of the south half of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian being Document Number 4033053; thence east along said north line of Lot 3 to the west line of the alley east of North Ridge Boulevard dedicated on Document Number 4819734; thence northwesterly along said west line of the alley east of North Ridge Boulevard to the westerly extension of the north line of Lot 6 of aforesaid D. Schreiber's Subdivision; thence east along said north line of Lot 6 and its westerly extension to the east line of said Lot 6; thence north along the northerly extension of said east line of Lot 6 of aforesaid D. Schreiber's Subdivision to a line 371 feet north of and parallel with the north line of West Devon Avenue; thence east along said line 371 feet north of and parallel with the north line of West Devon Avenue to the west line of the Chicago and Northwestern Railway; thence north along the west line of the Chicago and Northwestern Railway to the south line of West Pratt Avenue; thence along the south line of West Pratt Avenue to the west line of Lot 11 in Block 13, in Oakside Subdivision in the northwest quarter of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian; thence southerly along said west line of Lot 11 and its southerly extension to the center of an alley south of West Pratt Avenue; thence west along the center of an alley south of West Pratt Avenue and its westerly extension to a point 80.00 feet west of the west line of Oakside Subdivision, measured along said center of alley; thence northwesterly along a line parallel with the west line of Oakside Subdivision to a line 124 feet south of and parallel with the north line of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, aforesaid; thence west along said line 124 feet south of and parallel with the north line of the southeast quarter of said Section 31 to the east line of North Ridge Boulevard; thence southeasterly along the east line of North Ridge Boulevard to the point of beginning.

S&C ELECTRIC COMPANY

Redevelopment Agreement
dated as of July 30, 2008

EXHIBIT B-1

LEGAL DESCRIPTION OF THE PROPERTY

A legal description of the Property is attached to this exhibit cover sheet.

S&C Electric
Unified Legal Description

That part of the West ½ of the Southeast ¼ of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, bounded and described as follows: Beginning at the intersection of the West line of the Chicago and Northwestern Railroad Company right of way and the South line of West Pratt Boulevard (80 feet wide); thence South 00°00'00" West along the West line of said right of way, 2,589.94 feet to the North line of West Devon Avenue (66 feet wide); thence South 89°42'11" West along the North line of said West Devon Avenue, 226.52 feet to the East line of a 16 foot wide public alley, said alley line also being the West line of Lot 6 in D. Schreiber's Subdivision of that part of Lots 4 and 5 in the South ½ of the South ½ of the Southeast ¼ of said Section 31; thence North 00°18'05" West along the East line of said alley, 76.01 feet to an angle point in said alley; thence continuing North 17°46'48" West along the Easterly line of said alley, said Easterly line of alley being 160 feet East (as measured along the North line of Lot 3 in said D. Schreiber's Subdivision) of and parallel with the Easterly line of Ridge Avenue as widened, 53.39 feet; thence South 89°45'45" West along the North line of said Lot 3 and its Easterly extension, 160.00 feet to the Easterly line of said Ridge Avenue as widened; thence North 17°46'48" West along the Easterly line of said Ridge Avenue, 2507.66 feet to a point 115.00 feet South of the North line of the West ½ of the Southeast ¼ of said Section 31; thence North 89°54'00" East along a line 115.00 feet South of and parallel with the North line of said Southeast ¼, 107.30 feet; thence South 17°46'48" East along a line parallel with the Easterly line of said Ridge Avenue, 56.15 feet to a point on the North line of the South 161.50 feet; thence North 89°54'00" East along the last mentioned North line, 79.65 feet to the Southeasterly extension of the West line of Lot 8 in Block 3 of Oakside Subdivision in the Northwest ¼ of said Southeast ¼; thence North 17°46'48" West", along said Southeasterly extension of said Lot 8, 8.40 feet to the Southwest corner of said Lot 8; thence North 89°54'00" East along the South line of said Lot 8, 11.51 feet to the Southwest corner of Lot 9 in said Oakside Subdivision; thence North 00°16'28" West along the West line of said Lot 9, 120.50 feet to the Northwest corner of said Lot 9 and the South line of said West Pratt Boulevard; thence North 89°54'00" East along the South line of said West Pratt Boulevard, 956.50 feet to the point of beginning, excepting from the above described property all of Lot 10 in Block 3 in said Oakside Subdivision and excepting all of the East and West 16 foot wide Public Alley lying within said Block 3 and excepting that part of the North and South Public in said Block 3 lying North of a line 25.00 feet South of and parallel with the Eastward extension of the North line of Lot 6 in said Block 3, all in Cook County, Illinois.

S&C ELECTRIC COMPANY

Redevelopment Agreement
dated as of July 30, 2008

EXHIBIT B-2

SITE PLAN FOR THE PROJECT

A site plan for the Project is attached to this exhibit cover sheet.



PRATT AVE.

RAVENSWOOD AVE.

RIDGE BOULEVARD

PARKING NEW DECK

DEVON AVE.

S&C ELECTRIC COMPANY
 Excellence Through Innovation
 6001 NORTH RIDGE BOULEVARD CHICAGO, ILLINOIS 60626-3997
 TELEPHONE: (773) 338-1000

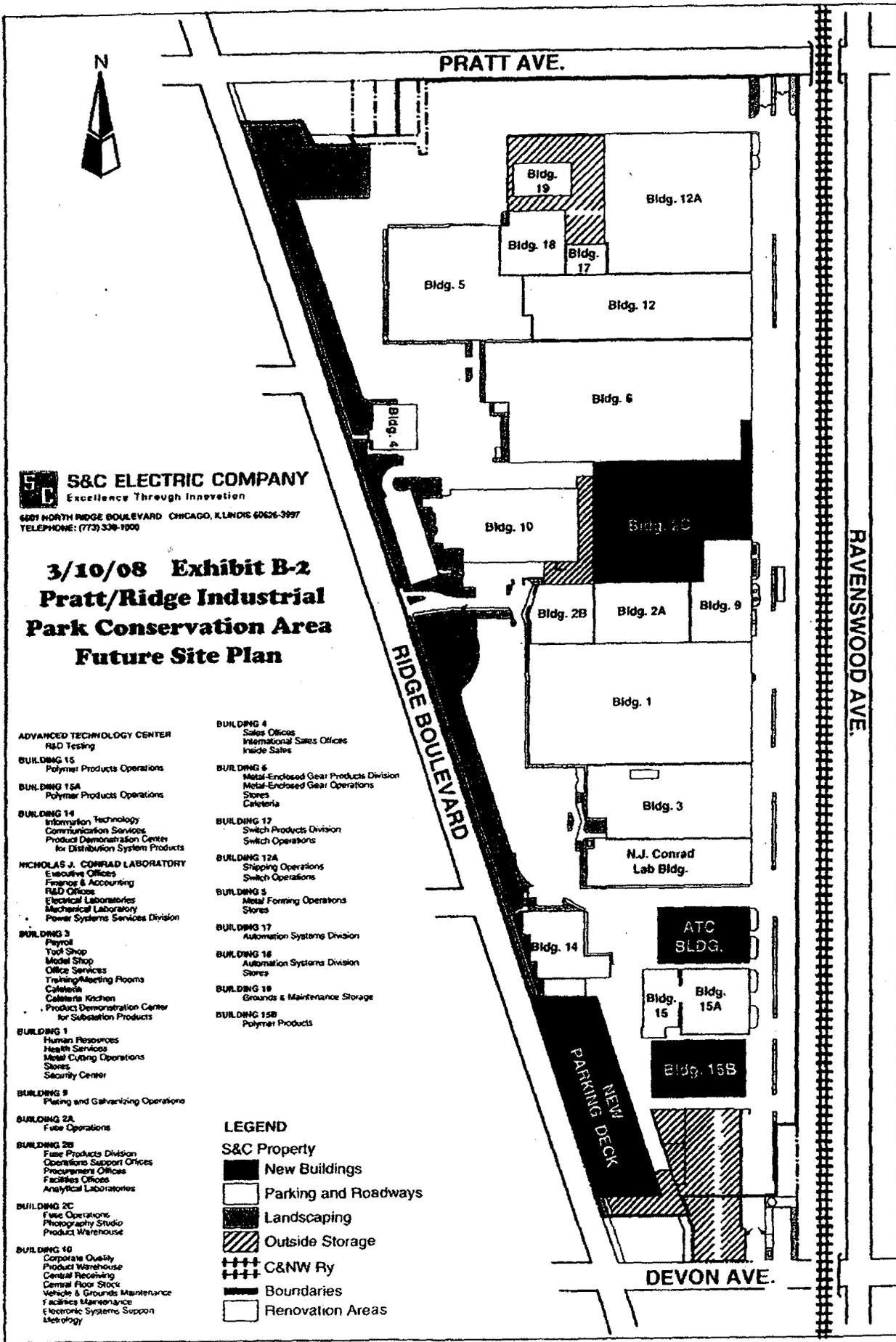
**3/10/08 Exhibit B-2
 Pratt/Ridge Industrial
 Park Conservation Area
 Future Site Plan**

- ADVANCED TECHNOLOGY CENTER**
R&D Testing
- BUILDING 1S**
Polymer Products Operations
- BUILDING 1SA**
Polymer Products Operations
- BUILDING 14**
Information Technology
Communication Services
Product Demonstration Center
for Distribution System Products
- NICHOLAS J. CONRAD LABORATORY**
Executive Offices
Finance & Accounting
R&D Offices
Electrical Laboratories
Mechanical Laboratory
Power Systems Services Division
- BUILDING 3**
Payroll
Tool Shop
Metal Shop
Office Services
Training/Meeting Rooms
Cafeteria
Cafeteria Kitchen
Product Demonstration Center
for Substation Products
- BUILDING 1**
Human Resources
Health Services
Metal Cutting Operations
Stores
Security Center
- BUILDING 9**
Plating and Galvanizing Operations
- BUILDING 2A**
Fuse Operations
- BUILDING 2B**
Fuse Products Division
Operations Support Offices
Procurement Offices
Facilities Offices
Analytical Laboratories
- BUILDING 2C**
Fuse Operations
Photography Studio
Product Warehouse
- BUILDING 10**
Corporate Quality
Product Warehouse
Central Receiving
Central Floor Stock
Vehicle & Grounds Maintenance
Facilities Maintenance
Electronic Systems Support
Metrology

- BUILDING 4**
Sales Offices
International Sales Offices
Inside Sales
- BUILDING 6**
Metal-Enclosed Gear Products Division
Metal-Enclosed Gear Operations
Stores
Cafeteria
- BUILDING 17**
Switch Products Division
Switch Operations
- BUILDING 12A**
Shipping Operations
Switch Operations
- BUILDING 5**
Metal Forming Operations
Stores
- BUILDING 17**
Automation Systems Division
- BUILDING 18**
Automation Systems Division
Stores
- BUILDING 19**
Grounds & Maintenance Storage
- BUILDING 15B**
Polymer Products

LEGEND

- S&C Property**
- New Buildings
- Parking and Roadways
- Landscaping
- Outside Storage
- C&NW Ry
- Boundaries
- Renovation Areas



S&C ELECTRIC COMPANY

Redevelopment Agreement
dated as of July 30, 2008

EXHIBIT D-1

PROJECT BUDGET

An estimated Project budget totaling \$138,150,000 is attached to this exhibit cover sheet. Prior to the start of each Project phase, Developer will submit to DPD a more detailed project budget as provided in Section 3.01. A more detailed Phase I project budget is also a part of Exhibit D-1.

PRATT/RIDGE INDUSTRIAL PARK CONSERVATION AREA
Project Budget - Phased Expenditures - May 1, 2008

Phase I

Hard Costs - (Demolition, Site Preparation, Construction & Renovation and Improvements)	\$19,470,000
Soft Costs - (Engineering, Architect, Permits and Fees)	\$ 1,135,000
Other Costs - (Machinery and Equipment; Job Training; Public Improvements; Environmental)	<u>\$ 5,695,000</u>
Total Phase I	\$26,300,000

Phase II

Hard Costs - (Demolition, Site Preparation, Construction & Renovation and Improvements)	\$ 7,905,000
Soft Costs - (Engineering, Architect, Permits and Fees)	\$ 655,000
Other Costs - (Machinery and Equipment; Job Training; Public Improvements; Environmental)	<u>\$18,930,000</u>
Total Phase II	\$27,490,000

Phase III

Hard Costs - (Demolition, Site Preparation, Construction & Renovation and Improvements)	\$17,475,000
Soft Costs - (Engineering, Architect, Permits and Fees)	\$ 405,000
Other Costs - (Machinery and Equipment; Job Training; Public Improvements; Environmental)	<u>\$ 8,580,000</u>
Total Phase III	\$26,460,000

Phase III

Hard Costs - (Demolition, Site Preparation, Construction & Renovation and Improvements)	\$ 5,900,000
Soft Costs - (Engineering, Architect, Permits and Fees)	\$ 855,000
Other Costs - (Machinery and Equipment; Job Training; Public Improvements; Environmental)	<u>\$ 8,630,000</u>
Total Phase IV	\$15,385,000

PRATT/RIDGE INDUSTRIAL PARK CONSERVATION AREA
Project Budget - Phased Expenditures - May 1, 2008
(Continued)

Phase V

Hard Costs - (Demolition, Site Preparation, Construction & Renovation and Improvements)	\$13,080,000
Soft Costs - (Engineering, Architect, Permits and Fees)	\$ 455,000
Other Costs - (Machinery and Equipment; Job Training; Public Improvements; Environmental)	<u>\$ 8,580,000</u>
Total Phase V	\$22,115,000

Phase VI

Hard Costs - (Demolition, Site Preparation, Construction & Renovation and Improvements)	\$ 1,490,000
Soft Costs - (Engineering, Architect, Permits and Fees)	\$ 355,000
Other Costs - (Machinery and Equipment; Job Training; Public Improvements; Environmental)	<u>\$ 8,580,000</u>
Total Phase VI	\$ 10,425,000

Phase VII

Hard Costs - (Demolition, Site Preparation, Construction & Renovation and Improvements)	\$ 5,590,000
Soft Costs - (Engineering, Architect, Permits and Fees)	\$ 170,000
Other Costs - (Machinery and Equipment; Job Training; Public Improvements; Environmental)	<u>\$ 4,215,000</u>
Total Phase VII	\$ 9,975,000
Total Project Costs	<u>\$138,150,000</u>

S&C ELECTRIC COMPANY

Project Budget - Phase I

May 1, 2008

<u>Hard Costs</u>	
Demolition	\$50,000
Site Preparation for ATC Building	\$0
Renovations and Improvements	\$2,420,000
Construction Hard Costs for ATC Building	\$14,825,000
Specially Equipment for Generator System	\$1,250,000
Insurance	\$75,000
Safety	\$75,000
Construction Contingency	\$900,000
Freight	<u>\$30,000</u>
Total Hard Costs	\$19,625,000
<u>Soft Costs</u>	
Total Soft Costs	<u>\$1,680,000</u>
<u>Other Costs</u>	
Total Other Costs	<u>\$4,995,000</u>
Total Phase I Project Costs	\$26,300,000

S&C ELECTRIC COMPANY

Redevelopment Agreement
dated as of July 30, 2008

EXHIBIT D-2

MBE/WBE BUDGET - PHASE I

A MBE/WBE Budget for Phase I is attached to this cover sheet. As provided in Section 3.01, MBE/WBE budgets for subsequent phases will be submitted to DPD before the start of a Phase.

S&C ELECTRIC COMPANY**MBE/WBE Budget - Phase I**

May 1, 2008

Hard Cost Budget		\$19,625,000
Soft Cost Budget (Architectural, Engineering, Permits and Fees)		\$ 1,680,000
Other Project Costs (Machinery & Equipment; Training; Public Improvements; Environmental)		\$ 4,995,000
Total Project Costs		\$26,300,000
Total for all M/WBE Exclusions in Phase I Budget		\$ 6,840,000*
Total M/WBE Redevelopment Agreement Phase I Budget		
	\$26,300,000 - \$6,840,000 =	\$19,460,000
	Total MBE 24% Goal =	\$ 4,670,400
	Total WBE 4% Goal =	\$ 778,400

* Exclusions will be supported by documentation provided to DPD by Developer prior to closing.

S&C ELECTRIC COMPANY

Redevelopment Agreement
dated as of July 30, 2008

EXHIBIT J

MINIMUM ASSESSED VALUE

A copy of the Certificate of Initial Equalized Assessed Valuation is attached to this exhibit cover sheet.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF INITIAL EQUALIZED ASSESSED VALUATION

I, DAVID D. ORR, do hereby certify that I am the duly qualified and acting Clerk of the County of Cook in the State of Illinois. As such Clerk and pursuant to Section 11-74.4-9 of the Real Property Tax Increment Allocation Redevelopment Act (Illinois Revised Statutes, Chap. 24) I do further:

CERTIFY THAT on December 12, 2007 the Office of the Cook County Clerk received certified copies of the following Ordinances adopted by the City of Chicago, Cook County, Illinois on June 23, 2004:

1. "Approving Tax Increment Financing Redevelopment Plan for Pratt/Ridge Industrial Park Conservation Area;"
2. "Designating Pratt/Ridge Industrial Park Conservation Area as Tax Increment Financing District;" and
3. "Adopting Tax Increment Allocation Financing for Pratt/Ridge Industrial Park Conservation Area."

CERTIFY THAT the area constituting the Tax Increment Redevelopment Project Area subject to Tax Increment Financing in the City of Chicago, Cook County, Illinois, is legally described in said Ordinances.

CERTIFY THAT the initial equalized assessed value of each lot, block, and parcel of real property within the said City of Chicago Project Area as of June 23, 2004 is as set forth in the document attached hereto and made a part hereof as Exhibit "A";

CERTIFY THAT the total initial equalized assessed value of all taxable real property situated within the said City of Chicago Tax Increment Redevelopment Project Area is:

TAX CODE AREA 75016 \$ 16,414,897

for a total of

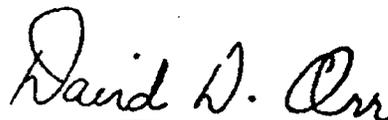
SIXTEEN MILLION, FOUR HUNDRED FOURTEEN
THOUSAND, EIGHT HUNDRED NINETY-SEVEN
DOLLARS AND NO CENTS

(\$ 16,414,897.)

such total initial equalized assessed value as of June 23, 2004, having been computed and ascertained from the official records on file in my office and as set forth in Exhibit "A".

IN WITNESS WHEREOF, I have hereunto affixed my signature and the corporate seal of COOK COUNTY this 18th day of July 2008.

(SEAL)


County Clerk

CLRTM369

PAGE NO. 1

DATE 03/13/2008 AGENCY: 03-0210-657 TIF CITY OF CHICAGO- PRATT/RIDGE IND. PARK

PERMANENT REAL ESTATE INDEX NUMBER OF EACH LOT, BLOCK, TRACT OR PARCEL REAL ESTATE PROPERTY WITHIN SUCH SUCH PROJECT AREA:	2002 EQUALIZED ASSESSED VALUATION OF EACH LOT, BLOCK, TRACT OR PARCEL WITHIN SUCH PROJECT AREA:
---	---

11-31-402-007-0000	22,437
11-31-402-008-0000	115,754
11-31-402-009-0000	43,924
11-31-402-010-0000	24,931
11-31-402-011-0000	43,559
11-31-402-012-0000	42,095
11-31-402-013-0000	62,155
11-31-402-014-0000	420,256
11-31-402-015-0000	255,813
11-31-402-016-0000	620,810
11-31-402-017-0000	304,825
11-31-402-019-0000	34,105
11-31-402-020-0000	34,110
11-31-402-021-0000	795,314
11-31-402-022-0000	522,859
11-31-402-026-0000	1,673,682
11-31-402-027-0000	68,803
11-31-402-032-0000	231,511
11-31-402-033-0000	219,300
11-31-402-035-0000	759,360
11-31-402-036-0000	523,938
11-31-402-041-0000	199,504
11-31-402-043-0000	34,853
11-31-402-044-0000	33,152
11-31-402-045-0000	32,654
11-31-402-046-0000	32,308
11-31-402-047-0000	49,630

QLRTM369

PAGE NO. 2

DATE 03/13/2008 AGENCY: 03-0210-657 TIF CITY OF CHICAGO- PRATT/RIDGE IND. PARK

PERMANENT REAL ESTATE INDEX NUMBER
OF EACH LOT, BLOCK, TRACT OR PARCEL
REAL ESTATE PROPERTY WITHIN SUCH
SUCH PROJECT AREA:

2002 EQUALIZED ASSESSED VALUATION
OF EACH LOT, BLOCK, TRACT OR PARCEL
WITHIN SUCH PROJECT AREA:

11-31-402-048-0000	182,284
11-31-402-049-0000	59,007
11-31-402-055-0000	504,140
11-31-402-056-0000	1,487,897
11-31-402-057-0000	64,665
11-31-402-058-0000	64,665
11-31-402-060-0000	29,422
11-31-402-067-0000	36,068
11-31-402-069-0000	333,714
11-31-402-070-0000	752,597
11-31-402-072-0000	211,548
11-31-402-073-0000	923,951
11-31-402-074-0000	1,077,519
11-31-402-076-0000	601,271
11-31-402-078-0000	39,895
11-31-402-079-0000	496,797
11-31-402-083-0000	245,241
11-31-402-085-0000	106,471
11-31-402-086-0000	97,354
11-31-403-001-0000	121,225
11-31-403-004-0000	54,308
11-31-403-005-0000	41,811
11-31-403-006-0000	41,811
11-31-403-007-0000	49,820
11-31-403-008-0000	352,450
11-31-403-009-0000	61,947
11-31-403-010-0000	35,816

CLRTM369

PAGE NO. 3

DATE 03/13/2008 AGENCY: 03-0210-657 TIF CITY OF CHICAGO- PRATT/RIDGE IND. PARK

PERMANENT REAL ESTATE INDEX NUMBER
OF EACH LOT, BLOCK, TRACT OR PARCEL
REAL ESTATE PROPERTY WITHIN SUCH
SUCH PROJECT AREA:

2002 EQUALIZED ASSESSED VALUATION
OF EACH LOT, BLOCK, TRACT OR PARCEL
WITHIN SUCH PROJECT AREA:

11-31-403-011-0000	124,988
11-31-403-012-0000	205,254
11-31-403-013-0000	231,370
11-31-403-014-0000	35,710
11-31-403-015-0000	110,587
11-31-404-002-0000	112,051
11-31-404-003-0000	245,591
11-31-404-004-0000	74,010

TOTAL INITIAL EAV FOR TAXCODE: 75016

16,414,897

TOTAL PRINTED: 62